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Staffing | Professionals | Search & Selection | HR Solutions | Inhouse Services

annual general meeting of shareholders 2009

Executive Board & Supervisory Board

Randstad Holding nv
31 March 2009

disclaimer

Certain statements in this document comprise forecasts on Randstad Holding's future financial condition and results from operations and certain plans and goals. By their nature, such forecasts generate risk and uncertainty because they concern events in the future and depend on circumstances which then apply. Any number of factors can cause actual results and developments to deviate from those expressed in the forecasts stated here. Such factors can be, but are not limited to, general economic conditions, scarcity on the employment market, the variation in the demand for (flexible) personnel, changes in employment legislation, future currency exchange rates and interest rates, future corporate mergers, acquisitions and divestments and the speed of technical change. The forecasts speak only as at the date of this document. Quarterly figures and pro forma figures are unaudited.

agenda

1 opening
2 report of the Executive Board and preceding advice of the Supervisory Board for the financial year 2008
3*a* proposal to adopt the 2008 financial statements
3*b* explanation of policy on reserves and dividends
3*c* proposal to determine the dividend over the financial year 2008
4*a* discharge of liability of the members of the Executive Board for the management
4*b* discharge of liability of the members of the Supervisory Board for the supervision of the management
5 proposal to reappoint Mr. A.H.J. Risseeuw as director A of Stichting Administratie-kantoor Preferente Aandelen Randstad Holding
6 remuneration policy of the Executive Board (subdued)
7*a* proposal to extend the authority of the Executive Board to issue shares
7*b* proposal to extend the authority of the Executive Board to restrict or exclude the pre-emptive right to any issue of shares
8 proposal to reappoint PricewaterhouseCoopers as external auditor for the financial year 2009 and 2010
9 any other business
10 closing

2. report of the Executive Board and preceding advice of the Supervisory Board for the financial year 2008

Ben Noteboom

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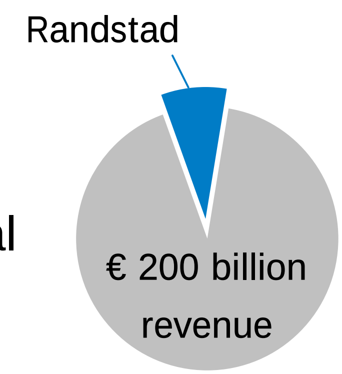
structure of results presentation

- FY 2008 results include the acquisition of Vedior
  - consolidation as per 16 May, 2008
- from revenue up until EBITA: focus on the pro forma figures
  - best reflection of underlying operational performance
  - adjusted for integration charges and one-offs
- below EBITA: focus on actual results, balance sheet and cash flow statement
  - to reflect the impact of the transaction
- separate reporting on Randstad and Vedior discontinued due to integration of the companies

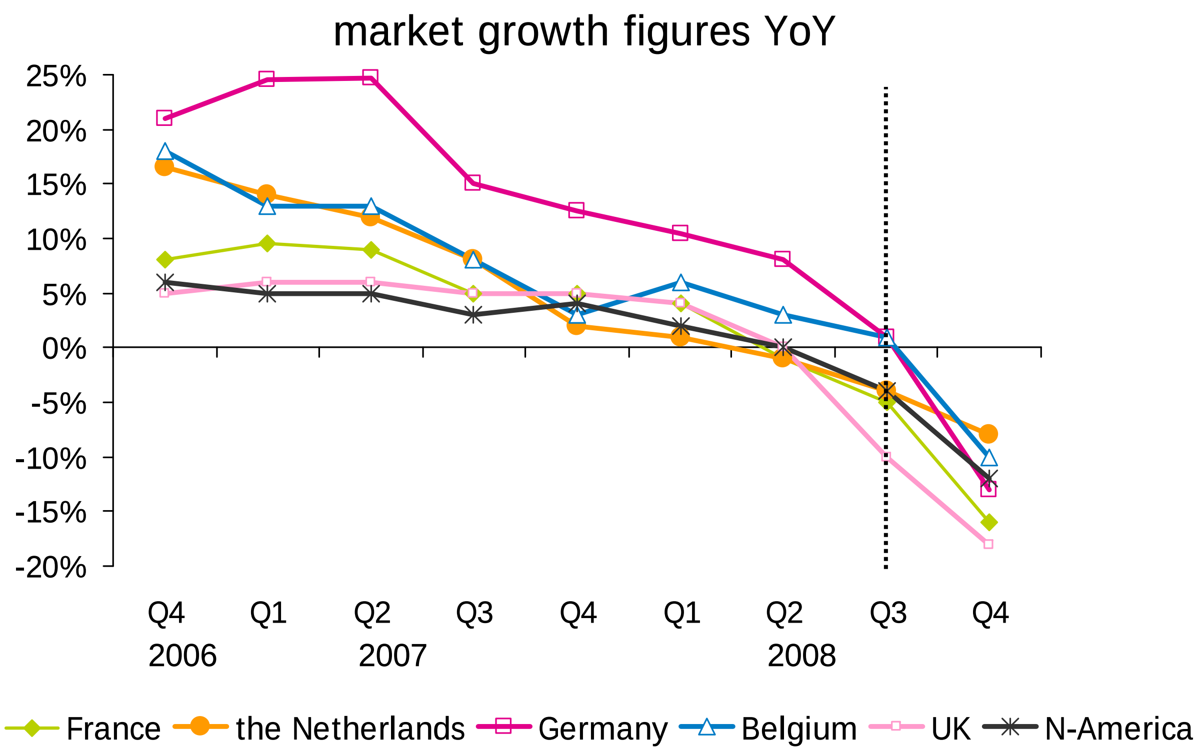
HR services market



- value of the global HR services market at least € 200 billion
- fragmented market since top 3 players have 25% of the global revenue
- market consists of regular staffing and other services like recruitment, secondment and HR-outsourcing
- current crisis puts importance of flexibility into focus
- many markets are still subject to restrictions
- the European agency directive, which was approved late 2008, has to be implemented within all member states before 2012
  - boundaries will be lifted
  - lifting boundaries within sectors like government and construction can lead to 570.000* extra jobs within the staffing sector
- the image of the staffing sector has improved since conditions for staffing employees have improved which leads to a better recognition of the social role of staffing

* research by SEO Economic Research

market growth: rapid decline towards the end of 2008



- accelerated decline since Q3 2008
- Germany and France faced the steepest (relative) sequential volume decline

Randstad: growth drivers & strategy

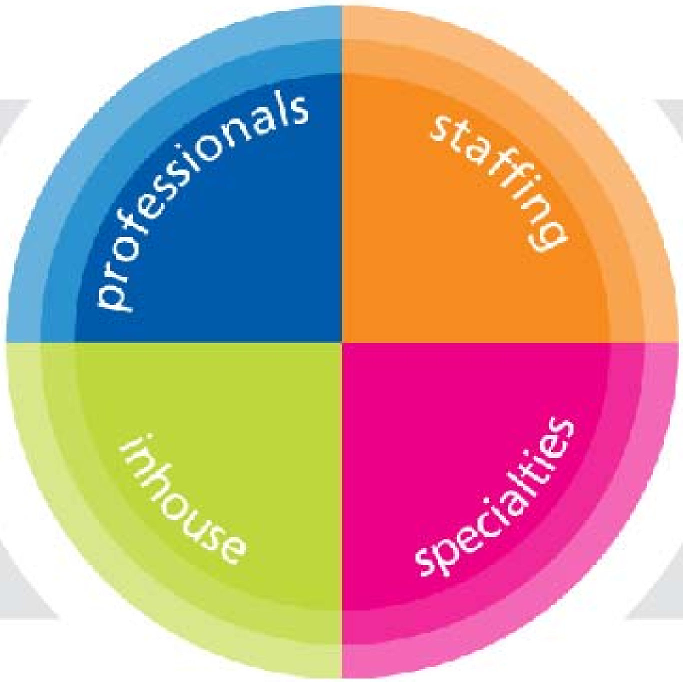
Building blocks

strong concepts

best people

excellent execution

superior brands



Growth drivers

structural growth

deregulation

clients looking for total offering

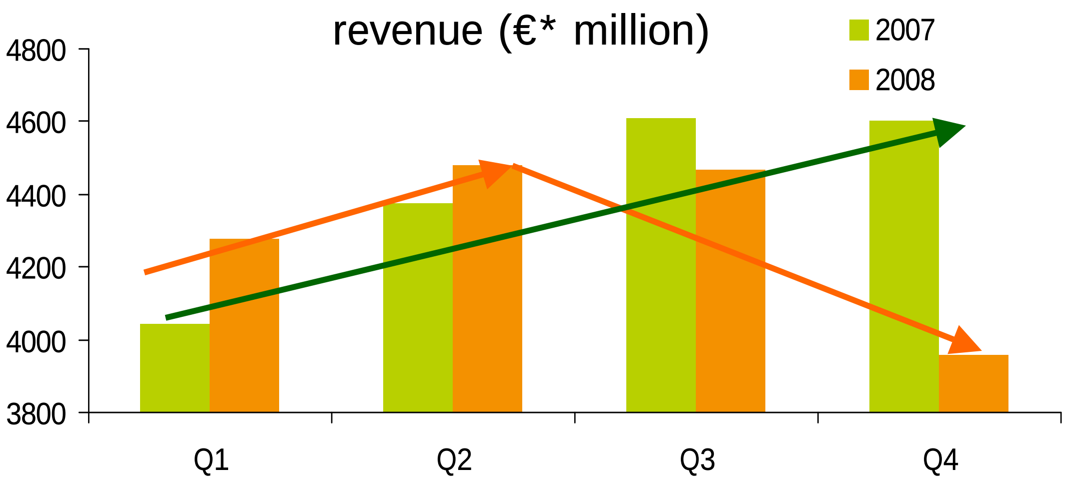
targets

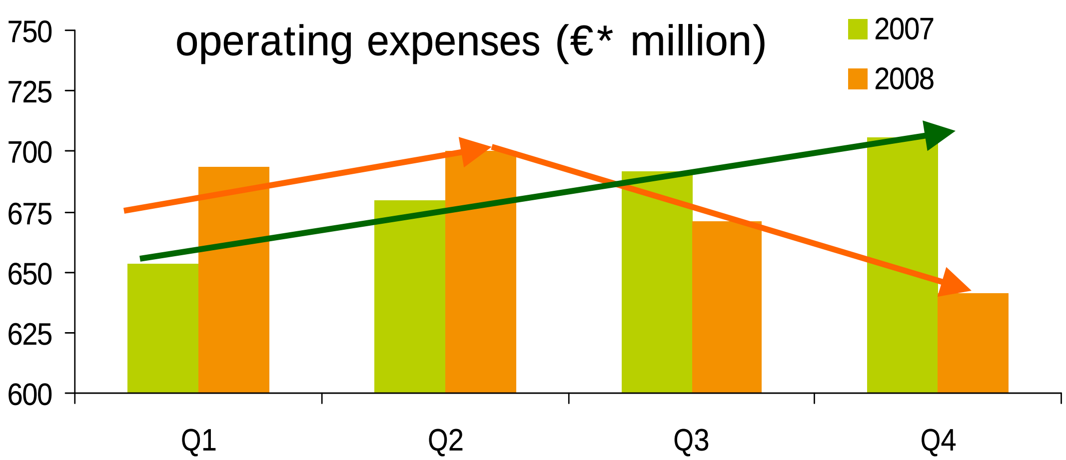
- continuous market share gains
- EBITA margin target of 5 to 6% on average through the cycle, not below 4% in downturn
- integration Vedior & realization of communicated synergies
- sound financial position; leverage ratio between 0 and 2

FY 2008: integration on track, markets loosing ground

- interesting yet challenging year
  - integration of Randstad & Vedior, creating the world's 2nd largest HR Services provider
  - market growth sliding in most geographies during the year
- internal themes & performance
  - outperformance in many geographies
  - rational pricing in staffing
  - strong focus on cost reduction
  - EBITA decreased somewhat vs. last year, margin still strong
  - solid free cash flow, € 673 million in 2008, moving average DSO improved to 59 days
  - great reduction of net debt in the 2nd part of the year
- integration
  - progress on target, capturing synergies ahead of schedule
- long term market conditions
  - agency work directive, lifting boundaries, flexibility prominent theme

steep revenue decline H2 2008, timely cost adjustment





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performance Randstad vs. marketgrowth in 2008

	marketgrowth*	Randstad Groep	diff. vs. market
France	-/- 5%	-/- 4%	1%
Netherlands	-/- 3%	-/- 2%	1%
Germany	1%	1%	0%
Belgium	-/- 1%	-/- 3%	-/- 2%
UK	-/- 7%	-/- 4%	3%
Iberia	-/- 10%	-/- 5%	5%
North America	-/- 4%	-/- 7%	-/- 3%

integration progressing well

- France
  - integration started in Q1 2009
- The Netherlands
  - integration Tempo-Team/Vedior & Randstad/Dactylo completed
  - no loss of market share
- Germany
  - Bindan and Vedior Personalsdienstleistungen integrated into Randstad, incl.back-office
- Belgium
  - rebranding Vedior into Tempo-Team completed, brand recognition ahead of plan
- UK
  - Randstad/Select combined head offices, branch network and branding
- Italy, Spain
  - integration started in Q1 2009
- US
  - Placement Pros integrated into Randstad US staffing
- India
  - integrating Team4U into Ma Foi

acquisition Vedior

target	progress on target	remarks
- base case growth scenario of low single digit revenue growth	X	resulted in impairment
- realize significant tangible synergies	✓	ahead of plan
- minimize forced redundancies in corporate employees	✓	
- re-branding	✓	
- maintain client portfolio	✓	
- financing (debt redemption, floating interest)	✓	
- EPS enhancing	✓	
- EVA accretive by 2010	X	delayed

- Vedior integration progressing well – good fit
- value creation for shareholders delayed because of quickly deteriorating markets

2. report financial year 2008: financial information

Robert-Jan van de Kraats

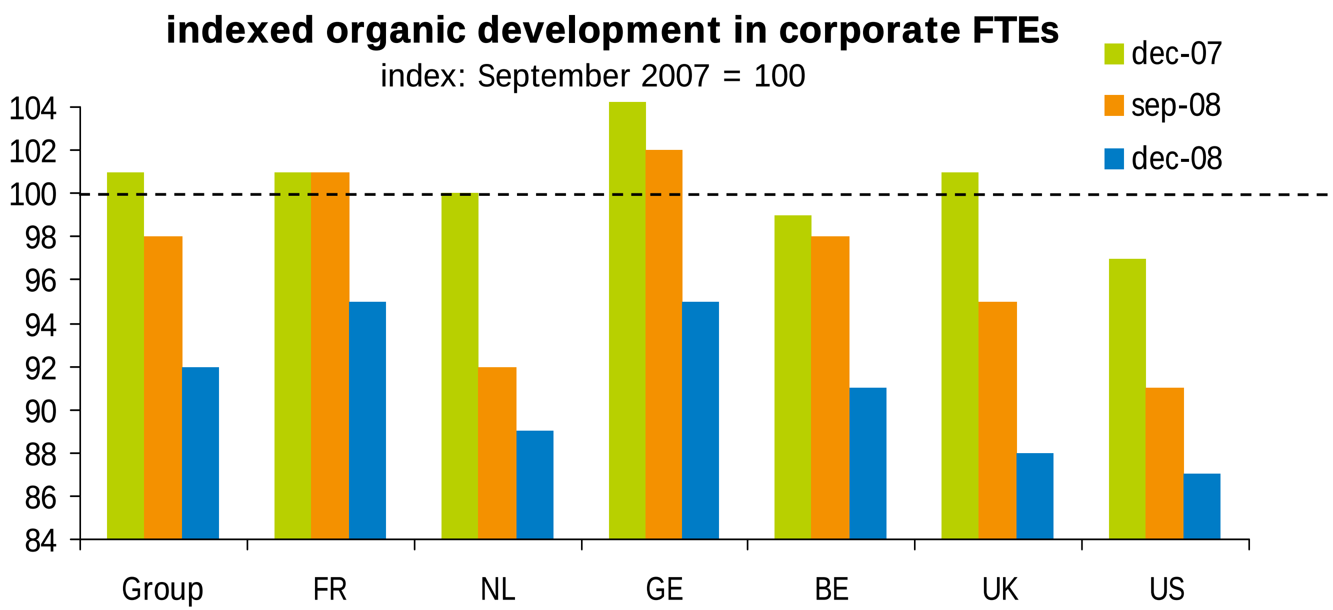
income statement FY 2008

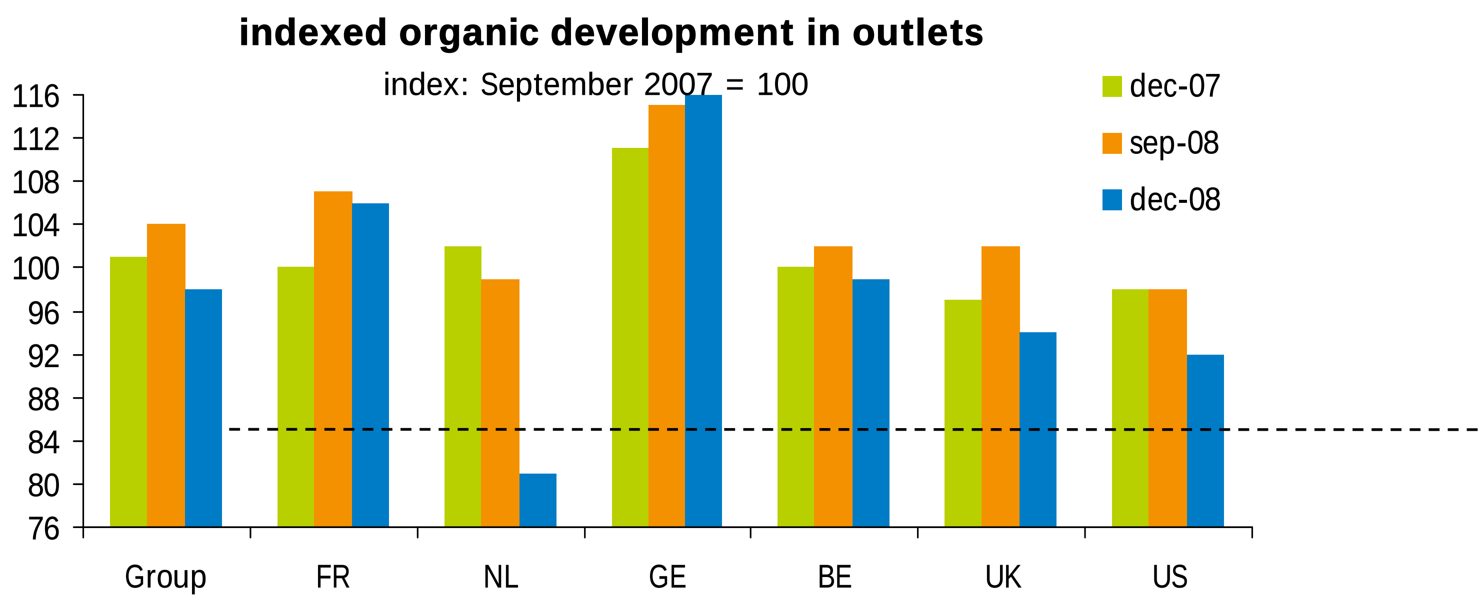
€ million	2008	2007	% change
revenue	17,177	17,625	*-/- 3%*
gross profit	3,540	3,637	*-/- 3%*
gross margin	*20.6%*	*20.6%*	
operating expenses*	2,706	2,730	*-/- 1%*
opex as % of revenue	*15.8%*	*15.5%*	
EBITA	834	907	*-/- 8%*
EBITA margin	*4.9%*	*5.1%*	
income before taxes (excl. profit for associates)	-/- 106	538	
tax	121	-/- 155	
effective tax rate	*-/- 114%*	*29%*	
net income	18	385	
adjusted net income	478	405	
(attr. to ordinary shareholders)			
diluted EPS**	3.21	3.47	*-/- 7%*

* before impairment, integration costs and one-offs

** before amortization acquisition related intangibles, impairment goodwill, integration costs and one-offs

development* in corp. employees & outlets





* end of month figures

consolidated balance sheet

€ million	December 31, 2008	December 31, 2007
property, plant & equipment	191	136
intangible assets	3,315	433
deferred tax assets	422	283
other assets	3,795	2,465
group equity	2,421	1,022
non-current liabilities	2,937	960
current liabilities	2,365	1,335
balance sheet total	7,723	3,317
DSO	59	60
net debt position	1,641	144
leverage ratio (net debt/EBITDA)	1.8	-

note: balance sheet December 31 2007 is Randstad standalone

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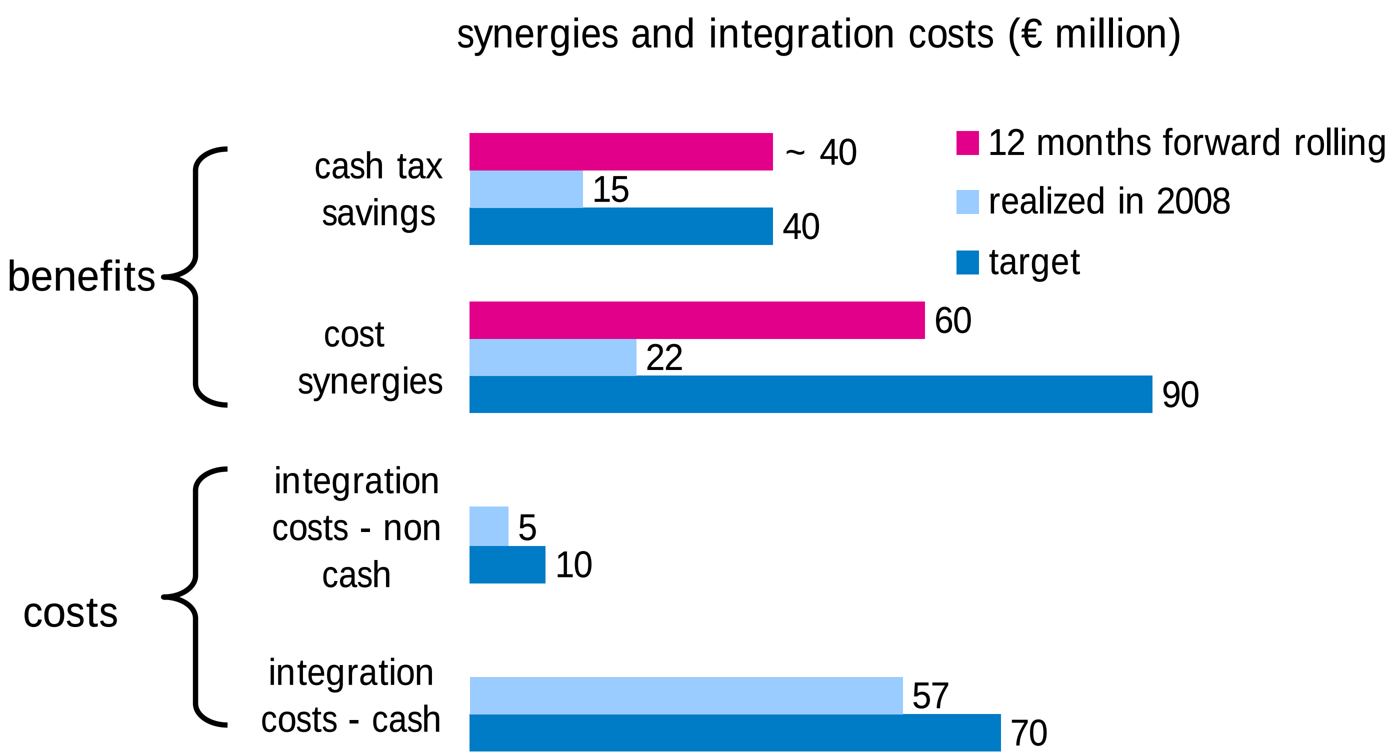
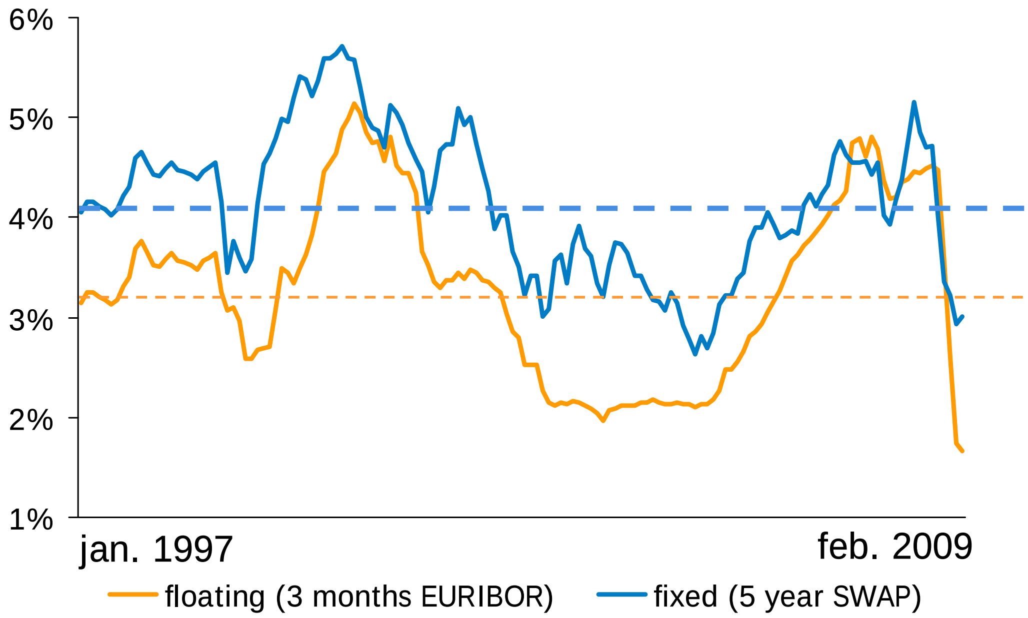
tracking synergies / integration costs



acquisition Vedior (II)

- final offer in 2007 after share price Vedior had gone down from € 23 to € 12
- attentive management; crucial for a quick and successful integration
- high premium fully made up for by synergies
  - both recurring items and one-offs
- paid with shares, existing cash and a pre-arranged credit facility
- variable interest, a low spread, finance expenses currently at 2.1%
- net debt/EBITDA 1.8 at year end, better than expected
- valuation was based on low underlying revenue growth
  - impairment based on difficult 2009 and 2010

financing: fixed vs. floating interest rates

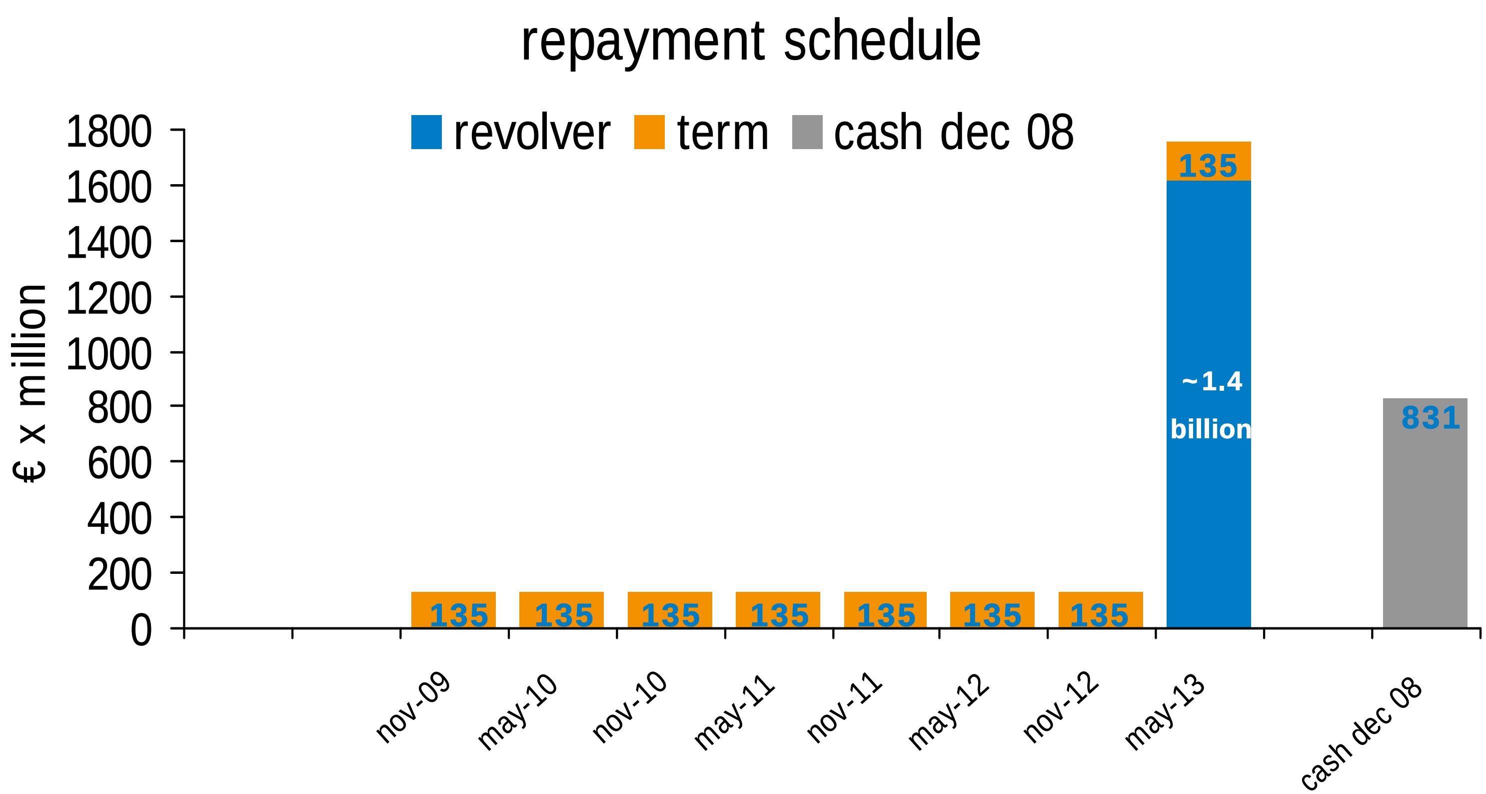


average fixed rate = 4.1%

average floating rate = 3.2%

- we use floating interest rates as a natural hedge
- decoupling of Euribor and money market in 2008 due to banking crisis
- trend normalizing again since Q4 2008

debt facilities & repayment schedule



- no refinancing before 2013

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dividend policy

- dividend policy updated in 2007
  - aiming at consistent dividend growth over the cycle and a floor of € 1.25
  - flexible pay out ratio: min. pay out 30% - max. pay out 60%
  - new policy better matched cash flow which is less volatile than profit
- stress tested dividend payment in relation to financing of Vedior-deal
  - dividend could be safely paid in case of a revenue decline of 5% in H2 2008, 10% declines in 2009 and 2010 and a 5% decline in H1 2011
  - in the case of revenue declines beyond the stress case the 4% EBITA margin target can be challenging
- proposal not to pay dividend over FY 2008
  - current revenue contraction (-24% January 2009) is much steeper than in tested scenarios and outlook is very uncertain
  - precautionary measure to further strengthen the balance sheet
  - aim to re-instate payment of ordinary dividends as soon as trends reverse

tax

- the reported effective tax rate amounted to -/-114% in 2008 vs. 28.7% in 2007. This is due to:
  - goodwill impairment of € 506 million (non tax deductible)
  - net tax gain of € 226 million in deferred taxes

- the effective tax rate, adjusted for the one-offs mentioned above, is 23.2% for 2008
  - this is including € 15 million of tax synergies related to the Vedior acquisition

managing through the cycle

target	result FY 2008	progress on target	remarks
- continuous market share gains	most geographies	✓	
- EBITA margin of 5 to 6% on average through the cycle, not below 4% in a normal downturn	4.9%	✓	no normal downturn
- sound financial position: leverage ratio between 0 and 2 (covenant = max. 3.5)	net debt / EBITDA=1.8	✓	strong focus
- integration Vedior & realization of communicated synergies		✓	ahead of target
additional guidelines for current market environment			
- aim at maximum recovery of gross profit reduction through reduction opex		✓	
- 12 months payback period on restructuring charges		n.a.	all plans meet target

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risk management

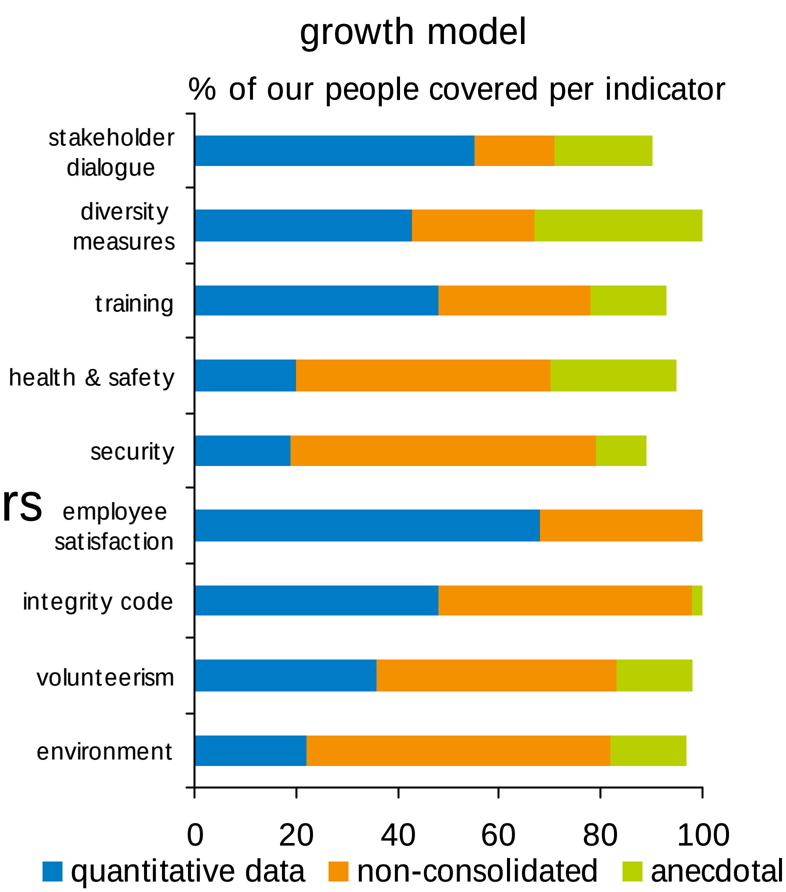
priorities:

- managing through the cycle
  - focus on revenue, gross margin and operating expenses
- successful integration of Vedior
- strong financial position and liquidity
  - focus on net debt, bank covenant, interest and working capital
- compliance with relevant rules and regulation
- protect reputation

- a sensitivity analysis has been added to the 2008 annual report, which quantifies a number of risks

corporate sustainability policy

- from times immemorial Randstad has been playing a central role in society
  - finding suitable jobs for as much people as possible
  - help stakeholders and share information to take the HR services market to a higher level
- in order to increase consistency and transparency Randstad has implemented a growth model for reporting on key performance indicators
  - the aim is to increase the percentage of people covered per indicator every year
  - the challenge is to align measurement systems to standardize data so that we can measure it at Group level



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3a. proposal to adopt the 2008 financial statements

3b. explanation of policy on reserves and dividends

- dividend policy updated in 2007
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3c. proposal to determine the dividend over the financial year 2008

dividend proposal:

- no dividend on ordinary shares (2007: € 1.25)
- € 0.284 on cumulative preferred shares (2007: € 0.284)
- add remaining net profit of € 11 million to the reserves

4a. discharge of liability of the members of the Executive Board for the management

4b. discharge of liability of the members of the Supervisory Board for the supervision of the management

5. proposal to reappoint Mr. A.H.J. Risseeuw as director A of Stichting Administratie-kantoor Preferente Aandelen Randstad Holding

- Dutch nationality
- member of the Board since 1999
- born on November 9, 1936
- reappointment for a period of 4 years (2013)

6. remuneration policy of the Executive Board (subdued)

- this proposal has been subdued with reference to the press release of Randstad Holding on March 17, 2009

7a. proposal to extend the authority of the Executive Board to issue shares

background:

- valid for a period of 18 months (October 31, 2010)
- approval by the Supervisory Board
- actual yearly allocation of performance shares and options not more than 1%
- yearly maximum authorisation of 3% of the issued capital in the form of ordinary shares

7b. proposal to extend the authority of the Executive Board to restrict or exclude the pre-emptive right to any issue of shares

background:

- valid for a period of 18 months (October 31, 2010)
- approval by the Supervisory Board
- yearly maximum authorisation of 3% of the issued capital in the form of ordinary shares

8. proposal to reappoint PricewaterhouseCoopers as external auditor for the financial year 2009 and 2010

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9. any other business

10. closing

good
to know
you